



# SOUTHEAST IDAHO

BANNOCK, BEAR LAKE, BINGHAM, CARIBOU, FRANKLIN, ONEIDA, & POWER COUNTIES

## YEAR-IN-REVIEW - 2004

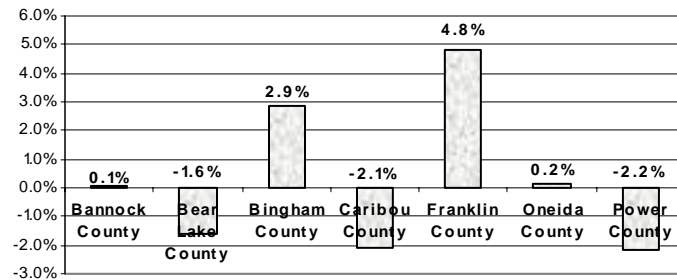
In 2004, continued historically low interest rates prompted businesses and local communities to invest in the Southeast Idaho economy in numerous ways. Some businesses invested in the area by remodeling and expanding, some began building new facilities for their existing business and others started new businesses in the area. Local communities continued to invest in community and economic development through infrastructure and community revitalization projects, while people took advantage of low interest rates to purchase or build homes. Also during the year, the state invested in its colleges and universities through construction projects and those benefited Southeast Idaho as well. In 2004, construction projects were underway throughout most of Southeast Idaho. Despite a rather robust economy, the area suffered from slow population growth, drought, a spike in fuel prices, poor farm commodity prices, the loss of jobs in natural resource based industries and job fluctuations in manufacturing. Economic growth and health was not fairly distributed across the area. While major population and trade centers, such as Pocatello and Blackfoot, showed positive economic growth and economic stability. Many smaller and more rural communities did not experience similar improvement. Southeast Table 1 shows population changes from 2003 to 2004 in the area counties.

In Southeast Idaho, according to Wells Fargo Idaho Construction Report, September 2004, total construction for the first nine months of 2004 increased 8.6 percent from the first nine months of 2003 to total \$103.7 million. (*Construction figures were available only through September 2004.*) *Residential Construction* in the first nine months of 2004 topped the first nine months of 2003 by 18.5 percent and totaled over \$60 million, while *Nonresidential Construction* fell by nearly \$2 million. *Additions, Alterations & Repairs* increased more than \$1 million over the previous year. The numbers, however, did not tell the whole story. Construction values are based on construction permits. Many construction projects were started in 2003, but completed in 2004. While construction permit values were counted in 2003, construction jobs continued into 2004. Some commercial construction started in 2003 resulted in new businesses that opened in 2004 so construction from both 2003 and 2004 contributed to increased jobs in 2004. Southeast Table 2 shows the change in construction value from 2003 to 2004 by county, and it will be discussed in greater detail under county economic developments for 2004.

## COUNTY ECONOMIC DEVELOPMENTS - 2004

- **Bannock County** showed great resilience again in 2004. After enduring the loss of high-paying manufacturing and transportation jobs, which resulted in decreased population growth and increased unemployment, the county's population grew from 75,565 in 2000 to 75,630 in 2003. *Construction* increased 16.4 percent through the first nine months of 2004 over the first nine months of 2003 and there is more to come in 2005. The actual increase in the number of *Nonfarm Payroll Jobs* will not be available until June 2005 but is projected to have increased approximately 1.5 percent in 2004.
- Several businesses built new facilities, remodeled existing facilities and began or expanded operations in the Pocatello/Chubbuck area, and Idaho State University completed and started projects in 2004. Major street projects were completed throughout the county in 2004 and many more are planned for 2005. Major developments in 2005 will be the completion of three new convenience stores and a fast food restaurant in the Tuscany Hills area, completion of the Pocatello Town Square development, completion of the multi-theatre complex, continued work on ISU's Rendezvous Center and work on approximately ten new residential subdivisions.
- Major developments throughout 2004 included:
  - » The L. E. and Thelma Stevens Performing Arts Center on the ISU campus was completed in 2004. The structure expands theatrical and musical educational opportunities for ISU students and also provides a beautiful facility to enhance Southeast Idaho's arts and entertainment.
  - » Construction began on ISU's \$34 million Rendezvous Center. The three-year project will continue through 2006.
  - » Portneuf Medical Center built and opened a \$1.5 million open heart suite and cardiac center. Construction began in January 2004 and was completed in October. The center brought in four new physicians and several support staff.
  - » First American Title Company completed construction of its new \$1 million-plus facility in the Tuscany Hills area in 2004.
  - » Holiday House Boutique Shoppe, Quiznos Sandwich Shop and Papa John's Pizza opened along South Fifth Avenue. The new businesses added approximately 30 jobs.
  - » Qwest Communications International, Inc. ex-

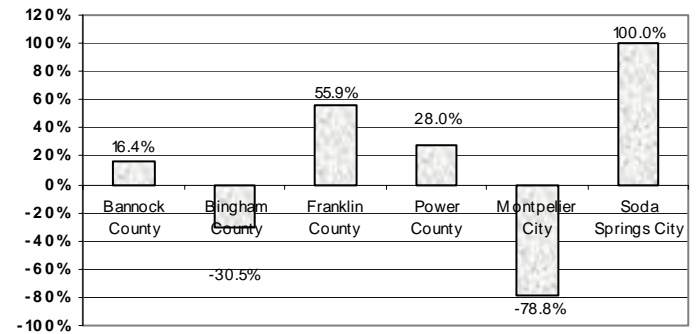
Southeast Idaho Table 1: County Population Change, 2003-2004



panded its Pocatello workforce by about 100 in 2004 and will increase by another 30 workers in 2005.

- » Upgrades to Old Town Pocatello's infrastructure and lighting began in 2004. The \$3.4 million project will be completed in phases. The first phase was finished in October.
- » Construction of Pocatello High School's new gym on North Arthur in Old Town finished out major projects in Old Town.
- » A new retail development, The Yellowstone Center, opened three new businesses: Hancock Fabrics, Dollar Tree and Tuesday Mornings. The Mandarin House moved from its former location into the new facility. These businesses created more than 30 jobs.
- » Motor City opened a new facility on Yellowstone Avenue. Construction of the facility began in 2003 and the business opened at the new location in 2004.
- » The Bank of Idaho built a new 8,000-square-foot facility in the 1200 block of Yellowstone.
- » Northern Title Company completely renovated the former Ponderosa Paint store at 1523 Yellowstone.
- » Work has begun on a \$44 million dollar retail development, Pocatello Town Square, in North Pocatello behind Wal-Mart, including land procurement and clearing and infrastructure improvements. Lowe's Home Improvement Center has announced it will be one of the anchor stores. A major bookstore, coffee shop and several other clothing and food establishments will locate in the new development. Lowe's expects to be open in the fall of 2005.
- » Demolition of the Pine Ridge Inn and Restaurant began in January to clear the area for a new retail development. Walgreen Drug Store and Figaro's Italian Fast Food Restaurant opened in the new development and construction has begun on a new PetCo Store. Construction of a new multi-theatre Carmike Cinema movie complex north of this development has begun.

Southeast Idaho Table 2: County Construction Value Changes, 2003 to 2004



- » Several new medical offices have been built throughout the county and have added support staff jobs to the area.

- **Bear Lake County**, with a population of 6,306, managed some impressive economic developments in 2004. The county's unemployment rate fell from 5.2 percent in 2003 to 4.7 percent in 2004. Construction reported for Montpelier, the county's largest city, was down significantly in 2004 from 2003; however, there were some projects started in 2003 that continued into 2004. No new residential or commercial construction projects started during the reporting period, January through September 2004, although *Additions, Alterations & Repairs* totaled more than \$135,000. A bear theme was adopted for downtown improvements and for new businesses in Montpelier to encourage tourists traveling through the area to stop and linger in the town. Two major projects planned for 2005 and beyond include the renovation of the Paris Tabernacle in Paris and a \$3.1 million upgrade for Bear Lake Memorial Hospital's skilled nursing center.

Several new businesses opened in Montpelier in 2004:

- » HomeQuest Mortgage opened at 358 Washington, Suite 10.
- » Bear Lake Caramel Company opened at 117 North Fourth. The new company produces gourmet caramel products.
- » Made in Bear Lake, an artist's mall, opened at 916 Washington.
- » The Home Realty Network-Preston opened a branch office at 358 Washington.
- » Jenn's Bridal Room opened at 716 Adams.
- **Bingham County** managed to maintain a healthy unemployment rate of 4.3 percent in 2004 despite robust population growth, which reached 41,735. Construction activity declined in 2004, however, several construction projects that were started and

counted in 2003 were completed in 2004. There was much to be excited about throughout Bingham County in 2004 with construction and community improvements literally everywhere throughout the county. Grants were made available through the Blackfoot Urban Renewal Agency to encourage downtown businesses to improve facades and clean up the business district. With many improvements made to Jensen Grove, a popular park with a small lake located near I-15 in Blackfoot, and the following developments, the area is poised for future growth.

- » Development of a new retail center, Parkway Village, began in 2004. Sonic Drive Inn opened in the new development located near Jensen Grove and several retail stores are expected to locate there in 2005.
- » Mountain River Birthing and Surgery Center opened in Blackfoot in July 2004 but construction of its new facility began in 2003. The new business added several professional-level jobs.
- » VanOrden, Lund & Cannon, PLLC, built a new facility at 1487 Parkway Drive. The business has been in Blackfoot for 13 years and moved into the new facility in 2004.
- » Phoenix Lumber opened in Blackfoot in 2004. The company opened with five employees and had increased to 17 employees in its first year of operation.
- » Construction of Blackfoot High School's \$3.8 million expansion was completed in 2004. The expansion included a three-court gym, locker rooms and a 1,200-seat auditorium
- » Completion of the Firth Town Square, a beautiful business park complete with a clock tower and copper cupola, improved the business district of Firth and attracted several new businesses that provide much needed services. Blackfoot Medical Clinic was the first tenant to move into the new business park. The business park currently is home to Potelco United Credit Union, an optometrist office, Firth city offices and a law office.
- In **Caribou County**, as in other natural resource based economies, the loss of 90 mining jobs in 2004 followed job losses in manufacturing during 2003. The loss of jobs forced people to leave the county to find work and its population declined 2.1 percent from 2000 to 2003. Despite the loss of jobs, the county's unemployment rate fell from 7.4 percent in 2003 to 6.9 percent in 2004. *Construction*, which is reported only for Soda Springs, totaled over \$4,190,355 in 2004, \$4 million more than in 2003. The boost in construction was mainly the building of a new jail. The opening of several new businesses in 2004 was encouraging and helped replace some of the previous job losses. Busi-

ness developments over the year included:

- » Sports Therapy and Athletic Rehabilitation opened on Highway 30 in Soda Springs.
- » Dr. Bryan S. Anderson started practicing family medicine in Caribou County and will split his time between Soda Springs and Grace.
- » The Family Dollar Store and Adies Attic Scrapbooking Treasures opened in Soda Springs in 2004.
- **Franklin County** was the only rural county in the region to experience exceptional growth in 2004, with the highest rate of population growth in Southeast Idaho reaching 11,874 in 2003, a 4.8 percent increase from 2000. The county also saw construction increase 55.9 percent in the first nine months of 2004 over the first nine months of 2003, and unemployment rates in the county dropped from 3.4 percent in 2003 to 2.9 percent in 2004. Preston, Franklin County's largest city, gained notoriety from the movie *Napoleon Dynamite*: a hoot of a comedy about a nerd growing up in Preston, Idaho.
- Major developments in 2004 included:
  - » An Internet distribution business, XO Corporation, in Oxford expanded. The business purchased a larger facility and began manufacturing whelping boxes.
  - » Construction of a new library and cafeteria at Preston High School began in 2004 and will continue into 2005.
  - » Demolition of Preston Lumber was completed and a Family Dollar Store was built at the site. The store opened in July 2004.
  - » In 2004, the Oneida Stake Academy was physically moved to a new location and restoration of the historical building began. The restoration project will continue into 2005.
- **Oneida County**, with a population of 4,132, is another example of a rural county that has experienced positive growth. It has the lowest unemployment rate in Southeast Idaho falling from 3.9 percent in 2003 to 2.6 percent in 2004. Oneida County experienced the following positive economic developments in 2004 and will see more growth in 2005.
  - » A Subway Sandwich Shop opened in Malad in December, which added several new jobs in the area.
  - » Hess-Pumice Products built a new welding and machine shop for maintenance of the company's equipment and vehicles. The company will expand its business to include manufacturing of cultured stone. The expansion will add 80 to 100 new jobs in the area.

- **Power County** has endured the loss of good-paying manufacturing jobs, drought and low farm commodity prices, which led to a loss of population between 2000 and 2003 and unemployment rates above 9.0 percent. Despite these difficulties, county-wide construction activity in the first nine months of 2004 exceeded the first nine months of 2003 by 28 percent. The increase occurred in residential construction and totaled nearly \$2.5 million in 2004. Several economic developments occurred in 2004, and efforts through the Idaho Optimum Initiative are underway to find a new use for the former FMC/Astaris manufacturing facility. When the facility closed in 2003, jobs were

eliminated in the county. Developments in store for 2005 include building a new long-term care facility and constructing a wind farm.

- Five new businesses opened in American Falls in 2004: All American Video, Ghost Town Gifts and Collectibles, Body Flex, Minuteman Cash and Double Shot Gourmet Espresso.

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nomic Development Administration, and was awarded a \$500,000 Community Development Block Grant by Idaho Commerce & Labor. Gem County officials will use the money for infrastructure projects and to create new living wage jobs in Gem County.

### Adams County

- The city of Council was awarded \$550,000 in grants for two separate projects: \$500,000 for downtown revitalization and \$50,000 for improvements to the senior center. The downtown revitalization grant is part of a five-year planning effort connected to the Highway 95 alternate route project. The money was part of the Idaho Community Development Block Grants program, administered by Idaho Commerce & Labor. The city will use the \$50,000 Gem Community Implementation Grant for improvements to buildings in Council's business park, such as a fire suppression system that will be installed in the building housing Intermountain Woodworking and completion of another building. In addition, the business park's parking lot will be paved.
- The City of Council will be awarded a grant from the Local Highway Technical Assistance Council for

\$72,300. This grant is for fiscal year 2006 and will be spent on construction work to Horner Creek Street.

- Brundage Mountain Resort announced in early May that it set a record for skier visits during the 2003-2004 ski/snowboard season. Attendance was up 7.0 percent to 122,430 skier/snowboarder visits for 2003-2004, which was the third consecutive year that Brundage broke the record for most skier visits in the resort's history.

### Boise County

- Boise Cascade closed its lumber plant in Horseshoe Bend, laying off all 15 employees at the Riverbend Lumber Remanufacturing facility. Company officials cited high transportation expenses of raw and finished goods as a major reason for the closure.

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